

1 **THE REGULAR MEETING**
2 **OF THE**
3 **BOARD OF DIRECTORS**
4 **TRABUCO CANYON WATER DISTRICT**
5 **JANUARY 19, 2011**

6 The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District
7 (TCWD) was called to order by President Mike Safranski at 7:00 p.m. at Trabuco Canyon Water
8 District's office located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Teresa
9 Teichman, Secretary to the Board of Directors, recorded and transcribed the minutes thereof.

10 **DIRECTORS PRESENT**

11 Mike Safranski, President
12 Ed Mandich, Vice President
13 Jim Haselton, Director
14 Glenn Acosta, Director
15 Matt Disston, Director

16 **STAFF PRESENT**

17 Don Chadd, General Manager
18 Hector Ruiz, District Engineer
19 Teresa Teichman, Secretary to the Board of Directors
20 Michael Perea, Special Projects Manager

21 **PUBLIC PRESENT**

22 There were no members of the public present.

23 **PLEDGE OF ALLEGIANCE**

24 Mrs. Teresa Teichman, Secretary to the Board of Directors, led the Board and staff in the pledge
25 of allegiance.

26 **VISITOR COMMENTS**

27 There were no visitor comments.

28 **ORAL COMMUNICATION**

1 There were no additional oral comments at this time.

2 **DIRECTOR'S COMMENTS**

3 President Safranski wished a Happy New Year to his fellow Board Members and Staff.

4 Director Acosta expressed New Year's wishes as well. Mr. Acosta relayed that he
5 attended a recent Dove Canyon Master Association Homeowner's meeting and everyone was
6 very complimentary of the water districts assistance and response to the recent storms.

7 Vice President, Ed Mandich, complimented the General Manager and staff on the swift
8 response to the flooding on December 22, 2010 within the District in general and the Dove
9 Canyon community specifically. Mr. Mandich stated the impressive response and level of
10 assistance was greatly appreciated by the homeowners affected on Bell Canyon Drive.

11 Director Disston expressed the same appreciation to the General Manager and staff and
12 specifically asked that the field staff be commended.

13 Director Haselton extended the same compliments to the General Manager,
14 administrative and field staff alike.
15

16 **REPORT FROM THE GENERAL MANAGER**

17 Mr. Don Chadd, General Manager, advised he has received the draft audit from TCWD's
18 auditors and he has scheduled a meeting for next week with TCWD's administrative staff and
19 TCWD's treasurer and accountant. Mr. Chadd anticipates bringing the report to the
20 Finance/Audit Committee on February 2, 2011 and to the Regular Board Meeting on February
21 16, 2011
22

23 **ITEMS TOO LATE TO BE AGENDIZED**

24
25 There were no items too late to be agendized.

26 **CONSENT CALENDAR**

27 President Safranski announced that all matters under the Consent Calendar would be
28

1 approved by one motion unless a Board Member requests a separate action on a specific item.

2 **ACTION CALENDAR**

3
4 President Safranski stated that the General Manager and staff had reviewed all matters
5 under the Action Calendar prior to the Board's consideration.

6 **MOTION:** A motion was made by Director Disston to approve the Consent Calendar,
7 Item Nos. 1A through 1E. Director Acosta made a second to the motion
8 adding that he has a correction to item number 1D as it pertains to his
9 personal attendance record. Director Disston then amended his motion to
10 approving all items on the consent calendar except item number 1D, and
to pull item 1D and hear it next. Director Acosta made a second to that
motion. The motion carried 5-0.

11 12 **ITEM NO. 1D RATIFICATION OF DIRECTOR'S FEES AND EXPENSES AND 13 FUTURE MEETINGS**

14 Director Acosta noted he was in attendance on December 10, 2010 at the Rancho Santa
15 Margarita Business Alliance Meeting and commented that there was no stipend reflective of that
16 attendance. Mrs. Teichman advised she will review the matter and make any necessary
17 corrections. Director Acosta also noted corrections to be made relating to two additional
18 meeting he did not attend in early January.

19 Mrs. Teichman thanked Director Acosta for noting changes to his attendance and replied
20 accurate attendance for the two referenced meetings will be reflected next month at the time that
21 January attendance is ratification by the Board.

22 Mr. Chadd stated no changes are required by the Board Secretary for attendance noted on
23 the Director's future meeting schedule as it has not been presented for ratification and Mr. Chadd
24 clarified the future meeting schedule is provided as information only as to what meetings are
25 projected.

26 President Safranski commented that it might be best to take this item off of consent
27 calendar, for future board meetings, and rather address it as an action item.
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2 **MOTION:** A motion was made by Director Acosta to approve item 1D with the noted
3 corrections. President Safranski added to the motion to move the
4 ratification of director's fees and expenses and future meeting to the action
5 calendar for all future meetings. Director Disston seconded the motion.
6 The motion carried 5-0.

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8 **ADMINISTRATIVE MATTERS**

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10 **ITEM NO. 1F STATUS UPDATE RELATING TO WATER MONITORING AND**
11 **WATER CONSERVATION EFFORTS**

12 Mr. Don Chadd, General Manager, reviewed the water allocation graphs and data
13 provided by MWDOC as of December 10, 2010, along with review of each of the Directors
14 personal water consumption.

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16 **ITEM NO. 1G STATUS UPDATE AND POSSIBLE ACTION RELATING TO**
17 **STORM DAMAGE**

18 Mr. Chadd provided a status update along with a power point of the district and district
19 infrastructure and facilities relating to the storm damages from December 2010 and January
20 2011.

21 Mr. Chadd stated officials from FEMA have viewed several of the areas, though some
22 sites are still impassable.

23 Mr. Chadd advised staff is in the process of securing bids, feasibility and engineering
24 studies for needed repairs. Existing inter-ties were discussed as it relates to emergency water
25 needs and water reliability issues.

26 Mr. Chadd advised a Resolution will need to be signed in order for TCWD to file for
27 FEMA reimbursement, however; at this time, there has been no Presidential disaster declared. If
28 Presidential declaration is made, staff will bring forward a Resolution at that time.

FINANCIAL MATTERS

ITEM NO. 1H TREASURER'S ANNUAL STATEMENT OF INVESTMENT POLICY

Mr. Chadd discussed this issue advising TCWD's Treasurer has reviewed the information, there have been no changes required within the existing policy.

MOTION: A motion was made by Director Disston and seconded by Director Haselton to move staff recommendation and approve Resolution No. 2011-1143. The motion carried 5- 0.

ENGINEERING MATTERS

ITEM NO. 11	DISCUSSION AND POSSIBLE ACTION RELATING TO BALANCE OF FUNDS IN REASSESSMENT DISTRICT NO. 5
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Mr. Chadd reviewed the original purpose and history of Reassessment District No. 5 (RD5) when it was formed in 1987. Mr. Chadd stated RD 5 was levied for the last time in 2008/2009. The final principal and interest payment was made on September 2, 2010. A surplus balance of \$69,732.44 remained in the Redemption Fund after the retirement of all debt.

NBS performed a closeout analysis and prepared a District Closeout Analysis and Findings Report for RD 5. Staff suggested the best use of the remaining funds in accordance with the applicable laws and formation documents. Legal counsel advised this was a permitted use of the remaining funds.

Staff recommends establishing a Special Reserve account in the amount of \$69,732.44 for the repair and replacement of infrastructure related to RD5.

MOTION: A motion was made by Director Disston and seconded by Director Acosta to establish a Special Reserve account in the amount of \$69,732.44, approve the Notice of Completion, Authorize the General Manager to sign the Notice of Completion, and approve Resolution No. 2011-1144. The motion carried 5- 0.

ENGINEERING MATTERS

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2 **ITEM NO. 1J STATUS UPDATE AND POSSIBLE ACTION RELATING TO**
3 **SHADOW ROCK DETENTION BASIN FACILITY PROJECT**

4 Mr. Hector Ruiz, District Engineer, advised that the Orange County Board of
5 Supervisors approved the Cooperative Agreement for South Orange County Watershed
6 Management Area (WMA) on December 14, 2010. Projects are anticipated to begin in June or
7 July 2011. The WMA shall act through an Executive Committee. Each party to the agreement is
8 required to appoint a member and alternate member to the Executive Committee along with a
9 designated staff member as point of contact.

10 Staff recommends appointing Vice President Mandich as the Committee Member and
11 Mr. Ruiz as the Alternate, and Mr. Michael Perea, Special Projects Manager, as the point of
12 contact.

13
14 **MOTION:** A motion was made by Director Disston and seconded by Director Acosta
15 to move staff recommendation. The motion carried 5- 0.

16 **ITEM NO. 1K STATUS UPDATE AND POSSIBLE ACTION RELATING TO**
17 **ROSE CONAYON AND LANG GROUNDWATER TREATMENT**
18 **FACILITY**

19 At the time of the December 15, 2010 Regular Board Meeting a motion was made to
20 approve R.C. Foster's request for extension of their contract through the end of December 2010
21 for Substantial Completion. Mr. Ruiz recommend that time for substantial project completion be
22 extended to January 14, 2011. At this time the project is 98% complete with startup and testing
23 beginning next week.

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25 Mr. Ruiz advised SCE completed its delivery and connection of the transformer earlier
26 this week and TCWD anticipates start-up testing of equipment beginning the week of January
27 17, 2011. Instrumentation and power wiring tests have commenced and all equipment has been
28 disinfected.

1 Mr. Ruiz advised a Tracer Study is also required to be performed with the test results
2 submitted to the DPH as a condition of obtaining a permit to operate. The tracer study and
3 testing will be performed by TCWD staff. Mr. Ruiz stated the wells could come on line as early
4 as the week of January 24, 2011, pending approval by the DPH.

5 Mr. Ruiz discussed information he has received from a vendor relating to the Watershed
6 Sanitary Survey required by DHP. Mr. Ruiz requested approval to move forward with the
7 survey for a cost of \$31,220. Mr. Ruiz confirmed the cost for this survey will not be considered
8 for reimbursement in the SFR loan, per verbal communication with the DPH.

9 Mr. Ruiz discussed one change order relating to paving.

10 President Safranski complemented Mr. Ruiz on his management of this project and
11 pointed out that this project has come in under budget and change orders to date remain at under
12 1.5%.

13 Director Disston stated he would like staff to explore award and or recognition
14 opportunities for which TCWD may submit this project.

15 Discussion occurred relating to a ribbon-cutting or unveiling type of celebration at the
16 wells site. Also, thoughts were shared about holding the 2011 TCWD Open House at the wells
17 site to highlight the project to district customers and the community.

18 MOTION: A motion was made by Director Disston and seconded by Vice President
19 Mandich to:

- 20 1. Extend the substantial completion date by R.C. Foster to January 14,
21 2011.
- 22 2. Approve the change orders as presented, for additional paving work.
- 23 3. Approve and authorize TCWD to enter into contract with Water
24 Resource Planning to perform the Watershed Sanitary Survey for
25 Trabuco Creek in the amount of \$31,220.

26 The motion carried 5- 0.

27 **ITEM NO. 1L STATUS UPDATE RELATING TO BAKER WATER**
28 **TREATMENT FACILITY**

Mr. Ruiz advised the Baker Water Treatment (BWT) Committee last met on January 13,

2010 and provided review comments on the 60% design completion.

Mr. Ruiz advised MET has requested a surge analysis which the BWT Committee will be looking into. Mr. Ruiz advised community members near the area of the site have requested a noise analysis.

The Board received and filed the status update. No action required

LEGISLATIVE MATTERS

ITEM NO. 1M REVIEW OF LOCAL GOVERNMENTAL AND LEGISLATIVE INFORMATIONAL ITEMS

Mr. Chadd provided information to the Board from Governor Brown's proposed 2011-12 State Budget as it relates to local property tax dollars.

Mr. Chadd provided information to the Directors from the South Orange County Chamber of Commerce State of the County Breakfast. Mr. Chadd advised each director to RSVP to Board Secretary Teichman if they plan to attend.

ITEM NO. 1N DISCUSSION AND POSSIBLE ACTION RELATING TO APPROVAL OF AGREEMENT BETWEEN MWDOC AND ITS MEMBER AGENCIES ON BUDGET, ACTIVITIES, CHARGES, AND OTHER ISSUES

Mr. Chadd provided a cover letter to the Board from Joan Finnegan, MWDOC Board President along with a Draft Agreement Between MWDOC and its Member Agencies on Budget, Activities, Charges, and Other Issues.

Discussion occurred between Board and Staff relating to the exhaustive efforts and over site TCWD and other South County agencies have had to provide to MWDOC over the years of negotiating this issue.

1 **MOTION:** A motion was made by Director Disston and seconded by Vice President
2 Mandich to approve the Agreement as presented and authorize the Board
3 President to sign the Agreement. The motion carried 5- 0.

4 **ITEM NO. 10 DISCUSSION AND POSSIBLE ACTION RELATING TO ISDOC**
5 **QUARTERLY MEETING AND ELECTION OF SPECIAL**
6 **DISTRICT LAFCO REPRESENTATIVE**

7 Mr. Chadd provided information to the Board relating to the structure of LAFCO and
8 current positions held. Discussion occurred relating to historical performance by LAFCO and
9 the qualifications and alliances of prospective candidates.

10 Mrs. Teichman stated she has forwarded a copy of Resolution 2010-1126, "Resolution of
11 the Trabuco Canyon Water District Board of Directors Appointing Representative and Alternate
12 Representative to the Orange County Independent Special District Selection Committee" and
13 cover letter to both LAFCO and ISDOC, as required in order to vote. Mrs. Teichman advised
14 President Safranski and Director Haselton a packet of the same information will be provided to
15 each to bring to the ISDOC Selection Committee meeting.

16 Discussion occurred between the Directors and by unanimous decision, directed TCWD's
17 ISDOC Special District Voting Representative and Alternate ISDOC Special District Voting
18 Representative to vote for Charlie Wilson for the Regular LAFCO Seat and dependent upon the
19 Alternate LAFCO seat becoming open, use their own discretion in voting on behalf of TCWD.
20 Alternate LAFCO seat becoming open, use their own discretion in voting on behalf of TCWD.

21 **MOTION:** A motion was made by Director Disston and seconded by Director Acosta
22 to direct TCWD's ISDOC Special District Voting Representative and
23 Alternate ISDOC Special District Voting Representative to vote for
24 Charlie Wilson for the Regular LAFCO Seat and subject to the Alternate
25 LAFCO seat becoming open, use their own discretion in voting on behalf
26 of TCWD.
27 The motion carried 5- 0.

28 **END ACTION CALENDAR**

1 **OTHER MATTERS**

2 Mrs. Teichman advised the customer of record of Larkgrove has paid their balance in full
3 as it relates to the unauthorized water access.
4

5 Mr. Chadd distributed information to the Directors relating to a sponsorship opportunity.

6 Mr. Chadd reviewed a letter from the Building Industry Association relating to 60 day
7 notice in advance of fee structure changes.

8 **ADDITIONAL DIRECTORS' COMMENTS**

9 There were no additional Director's comments.
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11 **ADDITIONAL GENERAL MANAGER COMMENTS**

12 There were no additional General Manager's comments.

13 **ADJOURNMENT**

14 At 9:17 p.m. President Safranski adjourned the January 19, 2011 Regular Board Meeting.
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17 Respectfully Submitted,
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20 _____
21 Teresa Teichman
22 Secretary to the Board of Directors
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